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DIA and DOS review(s) completed.

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GENERAL

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1. Use of Italian troops in case of Trieste coup--SACMED reports that the Italian Government has again asked for precise information as to the proposed use of Italian armed forces in case of a Yugoslav invasion of Venezia Giulia. He points out that successful resistance to such an invasion would be impossible without Italian armed assistance, and requests CCS permission to assure the Italian Government that (a) its army will be used to resist such an invasion, but (b) details cannot be discussed until "such an emergency presents itself."
2. Soviets placing intelligence agents in Alaska and Greenland--The US Military Attache in Copenhagen has been informed by a "usually reliable source" that Soviet Secret Intelligence agents are being placed in Alaska and Greenland to report on air base construction because of the current ineffectiveness of the Soviet intelligence system formerly centralized in Canada. The informant (a) adds that the USSR is building large air bases in Siberia and Eastern Russia so as to provide "air cover" over Alaska, but (b) declares that these bases "cannot be completed" before 1948 because of terrain and construction difficulties. The MA evaluates the report as "probably true."

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# EUROPE-AFRICA

4. FRANCE: Communists create atmosphere of unrest--Caffery reports that the "social climate" in France is "potentially more troubled" than at any time since the liberation and the Communists are "prepared and determined" to prevent the westward orientation of France's economy. Although Caffery does not anticipate a "Communist armed insurrection" in the near future, he feels that the Communists are beginning to create the proper atmosphere for such action.

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NO CHANGE in Class. ☐

☐ DECLASSIFIED

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DDA Memo, 4 Apr 77

DDA Rpt. 77/1763

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Caffery discounts statements made to him by "a number of Frenchmen" that only US possession of the atomic bomb stops the Soviets from trying now "to move the iron curtain to the Atlantic Ocean." He is "convinced" that the Soviets are not ready "for such a venture, for a variety of reasons."

Bidault's probable tactics--

[redacted] Bidault will attempt, with a "good possibility" of success, to form an MRP-Communist-Socialist coalition Government (despite previous Communist opposition to an MRP President). If that attempt should fail, Bidault will try to form a purely MRP Cabinet, but it probably would not be accepted by the Assembly.

A Government official expects the Communists to join the Government because of their "real fear of General De Gaulle's return, which would put the Communists back ten years."

[redacted] De Gaulle aims to be President when a new Constitution has been adopted.

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5. AUSTRIA: Extra rations in Soviet zone--General Clark has reported that (a) serious labor disorders may result from any further food ration reductions, and (b) workers in the non-Soviet zones are becoming restive because of reports that the Soviets are supplying extra food to workers in plants which they have requisitioned. Clark reiterates his belief that the Soviets have food reserves which they will use in a crisis to gain prestige (see Daily Summary of 24 May, item 4), and urges that the 17,000 tons of wheat now scheduled for diversion to Italy be restored to Austria (see Daily Summary of 17 June, item 5).
  6. GERMANY: Soviets discourage Berlin Socialists--USFET has reported that despite the recent quadripartite recognition of the Socialist Party (SPD) in Berlin, the Soviets have attempted to discourage Socialist activity in their sector "as much as possible."
  7. POLAND: Illegal electoral practices reportedly planned--According to Ambassador Lane in Warsaw, there are reliable indications that the Polish Government plans, in the 30 June referendum, (a) to require the recording of affirmative votes with a cross and negative votes with a horizontal line (thus facilitating falsification of negative votes); and (b) to count all blank ballots as affirmative votes.

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**FAR EAST**

8. **N.E.I.: Latest Indonesian counter-proposals**--US Consul General Batavia reports that the latest Indonesian counter-proposals include (a) Dutch recognition of Indonesian de facto authority over Java and Sumatra and (b) establishment of a voluntary partnership between the Netherlands and an Indonesian Free State which is to include the entire N.E.I.
9. **SIAM: Political crisis subsides**--Charge Yost reports that Premier Pradit has demonstrated the strength of his position by his rapid success in handling the crisis caused by the King's death. Yost states that (a) widespread popular belief that the King was murdered has necessitated the appointment of a commission of inquiry to be composed of high officials, and (b) the new King is making an excellent impression because of his assurance and strength of will.

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10. **KOREA: Stripping of industry by USSR**--According to General Hodge, reports from Pauley and observers with Pauley's party do not contradict previous information that the Soviets carried out large-scale stripping of industrial plants in Northern Korea. The stripping, which occurred in areas from which Pauley was excluded, does not appear to have been as complete as in Manchuria and involved selection of items essential to Soviet economy.

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